

**MINUTES**  
**ALABAMA REAL ESTATE APPRAISERS BOARD**  
**RSA UNION BUILDING**  
**100 NORTH UNION STREET**  
**SUITE 370**  
**MONTGOMERY, ALABAMA**  
**November 14, 2002**

**MEMBERS PRESENT:**

Mr. Chester Mallory  
Mrs. Jane Mardis  
Mr. Ronald Parker  
Mr. Wilder Cheney  
Mr. Steve Martin  
Mr. Gary Carter

**MEMBERS ABSENT:**

Mr. R.L. Farmer, Jr.  
Mr. Otis Stewart, Jr.  
Mr. Mandell Tillman

**OTHERS PRESENT:**

Mr. J.W. Holland, Jr.  
Mrs. Lisa Brooks  
Ms. Neva Conway

- 1.0           With quorum present Mr. Parker, Chairman called the meeting to order at 12:15 p.m. The meeting was held at the RSA Union Building, 100 N. Union Street, 3<sup>rd</sup>. Floor Conference Room, Montgomery, Alabama.
- 1.1           The meeting was opened with prayer by Mr. Martin and then the Pledge of Allegiance.
- 2.0           Members present were Mr. Wilder Cheney, Mr. Ronald Parker, Mrs. Jane Mardis, Mr. Chester Mallory, Mr. Steve Martin and Mr. Gary Carter. Members absent were Mr. R.L. Farmer, Jr., Mr. Otis Stewart, Jr. and Mr. Mandell Tillman.
- 3.0           On motion by Mrs. Mardis and second by Mr. Cheney the regular minutes for October 10, 2002 were approved as written. All in favor, motion carried.

At this time the Board conducted a Trainee to General interview with applicant Mr. William R. Fralish. On motion by Mr. Martin and second by Mr. Cheney the Board voted to approve the upgrade from Trainee Real Property Appraiser to Certified General Real Property Appraiser. All in favor, motion carried.

### **Reconsideration Hearing – Frank E. Lindstrom, III (G)**

On motion by Mr. Martin and second by Mr. Cheney the Board voted to approve Mr. Lindstrom to sit for the Certified Residential Real Property test based upon Mr. Lindstrom's request. All in favor, motion carried.

- 3.2 On motion by Mr. Martin and second by Mr. Cheney the Board voted to allow the following disciplinary cases to be heard in a hearing by the Administrative Law Judge if the licensee's consents with the Board considering the ALJ's report of recommended findings and reviewing the evidence. The disciplinary cases are AB-00-11, AB-00-71, AB-00-75, AB-00-86, AB-00-89, AB-01-44, AB-00-12, AB-00-72, AB-00-87, AB-00-90, AB-01-45, AB-01-34, AB-02-10, and AB-02-57. All in favor, motion carried.

On motion by Mr. Cheney and second by Mr. Carter the Board voted to accept the late education Mr. Steve Tucker submitted to comply with disciplinary action. All in favor, motion carried.

At 12:50 p.m. the Board entered Executive Session to discuss the recommendation, findings of fact and conclusion of law of the Administrative Law Judge in the Denise Hall case (AB-00-66).

At 1:10 p.m. the Board went back into Regular Session. On motion by Mr. Martin and second by Mr. Carter the Board voted to accept the Administrative Law Judges recommendations, findings of fact and conclusion of law that the respondent has violated four of ten charges and impose the following discipline: a Public Reprimand, revocation of supervisory privileges for one year and a \$1000 fine. All in favor, motion carried.

- 4.0 Ms. Conway informed the Board that Mr. Gregory Albritton won his seat in the legislature, House District 64.
- 5.0 On motion by Mrs. Mardis and second by Mr. Carter the following applications were voted on as listed. All in favor, motion carried.
- 5.1 **Trainee Real Property Appraiser applications approved:** Chris Bellamy, Sterling Brothers, Steven Coleman, Timothy Gray, John W.

Kidd, Lesa S. Knight, Emily Luce, Paul Kinard, III, Nikolaos Pantaze, Timothy Seay, Billy G. Simmons, James Vail, Jr., Richard Wood.

5.2 **State Registered Real Property Appraiser applications approved:** John C. Johnson.

5.3 **Licensed Real Property Appraiser application approved:** Michael S. Graf, Barton E. Prince, Michael Rogers (Recip.)(GA).

5.4 **Certified Residential Real Property Appraiser applications approved:** Sean W. Hollis, Linda McArdle (Recip.)(GA). Gregory M. Morton, Gregory Walker.

5.5 **Certified General Real Property Appraiser applications approved:** James C. Cartwright (Recip.)(GA), Petra Della Valle (Recip.)(TX), William R. Fralish, Philip J. Mushinski, Luten Teate (Recip.)(GA). **Applications deferred:** Christopher A. Baker.

6.0 Mr. Mallory gave the financial report informing the Board that we were 8% into the fiscal year and 10% into budget expenditures. Mr. Holland stated that the over run in payroll and benefits was due to a third pay period being included this month. On motion by Mr. Carter and second by Mrs. Mardis the Board voted to accept the financial report as read. All in favor, motion carried.

6.1 On motion by Mr. Martin and second by Mr. Mallory the following education courses and instructor recommendations were approved or denied as indicated:

### **ALABAMA APPRAISAL ACADEMY**

#### **Renewals:**

(LIC) HT-777 The Basic “How to” Appraise a Single Family Residence – 25 Hours – **Approved**

(Approved Instructor: Richard Andrews & Nona R. Andrews)

(LIC) ARE-45 The Appraisal of Real Estate – 45 Hours – **Approved**

(Approved Instructor: Richard Andrews & Nona R. Andrews)

(LIC) USPAP – 16 Hours – **Approved**

(Approved Instructor: Richard Andrews & Nona R. Andrews)

(LIC) BC-45 Blueprints and Construction – 45 Hours – **Approved**

(Approved Instructor: Richard Andrews & Nona R. Andrews)

(LIC) MSR-16 Marshall and Swift Residential – 16 Hours – **Approved**

(Approved Instructor: Richard Andrews & Nona R. Andrews)

(LIC) EH-35 Environmental Hazards – 35 Hours – **Approved**  
(Approved Instructor: Richard Andrews & Nona R. Andrews)

### **COSBY APPRAISAL SERVICE**

#### **Initial Application:**

(LIC) Real Estate Appraisal Certification – 32 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

(LIC) Real Estate Appraisal Certification II – 32 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

(LIC) The Cost Approach – 7 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

(LIC) Plans & Specifications – 8 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

(C.E.) URAR – 8 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

(C.E.) Review Appraising – 8 Hours – **Approved**  
(Approved Instructor: Melissa A. Cosby)

### **DELTA REALTY RESEARCHERS**

#### **Initial Application:**

(C.E.) CE2, Number Crunching for the Practicing Appraiser – 7 Hours – **Approved**  
(Approved Instructor: Lary B. Cowart)

(C.E.) CE3, 2001-2003 USPAP Update – 7 Hours – **Approved**  
(Approved Instructor: Lary B. Cowart)

### **FOUNDATION OF REAL ESTATE APPRAISERS**

#### **Renewal:**

(C.E.) Advanced Issues in Appraisers – 20 Hours – **Approved**  
(Approved Instructor: Ross Acheson)

### **JEFFERSON STATE COMMUNITY COLLEGE**

#### **Renewals:**

(LIC) USPAP – 15 Hours – **Approved**

(Approved Instructors: Charles D. Grimes, Steven Mains, & Van Steven Morgan)

(LIC) RLS-116/Real Estate Appraisal Certification – 60 Hours – **Approved**

(Approved Instructors: Charles D. Grimes, Steven Mains)

(C.E.) Review Appraising – 7 Hours – **Approved**

(Approved Instructors: Charles D. Grimes & Van Steven Morgan)

(C.E.) URAR – Uniform Residential Appraisal Report – 7 Hours – **Approved**

(Approved Instructors: Charles D. Grimes, Steven Mains & Van Steven Morgan)

(C.E.) USPAP – 7 Hours – **Approved**

(Approved Instructors: Charles D. Grimes, Steven Mains & Van Steven Morgan)

(C.E.) Computer Assisted Appraising I – 7 Hours – **Approved**

(Approved Instructors: Charles D. Grimes, Steven Mains & Van Steven Morgan)

### **NATIONAL ASSOCIATION OF MASTER APPRAISERS, NAMA**

#### **Renewals:**

(LIC) Course 512 Appraisal of Residential Property – 30 Hours – **Approved**

To be taught: 2/12-15/2003

(Approved Instructor: Charles B. Bramlett)

(LIC) Course 627 Principles of Real Estate Appraisal – 15 Hours – **Approved**

To be taught: 2/6-7/2003

(Approved Instructor: Charles B. Bramlett)

(LIC) Course 636 Practice of Real Estate Appraisal – 15 Hours – **Approved**

To be taught 2/10-11/2003

(Approved Instructor: Charles B. Bramlett)

(LIC) Course 660 Writing The Narrative Appraisal Report – 15 Hours – **Approved**

To be taught: 2/16-17/2003

(Approved Instructor: Charles B. Bramlett)

(LIC) Course 663 Principles of Appraisal Review – 15 Hours –  
**Approved**  
Currently not scheduled in Alabama  
(Approved Instructor: Charles B. Bramlett)

(LIC) Course 669 Manufactured Housing Appraisal – 15 Hours –  
**Approved**  
Currently not scheduled in Alabama  
(Approved Instructors: Charles B. Bramlett & Thomas P. Browning)

(LIC) Course 772 National USPAP Course – 15 Hours – **Approved**  
To be taught 2/3-9/2003  
(Approved Instructor: Charles B. Bramlett)

(C.E.) Course 109 Appraising for Desktop Underwriting – 8 Hours –  
**Approved**  
Currently not scheduled in Alabama  
(Approved Instructor: Charles B. Bramlett)

(C.E.) Course 112 HUD Appraisal Standards Update – 7 Hours –  
**Approved**  
Currently not scheduled in Alabama  
(Approved Instructor: Charles B. Bramlett)

(C.E.) Course 115 HUD Valuation Conditions Report – 7 Hours –  
**Approved**  
Currently not scheduled in Alabama  
(Approved Instructor: Charles B. Bramlett)

### **NORTHEAST ALABAMA COMMUNITY COLLEGE**

Instructor Renewal to teach Licensure course(s) only upon  
sufficient demand:

(Approved Instructor: John W. Caylor)

### **SHOALS SCHOOL OF BUSINESS**

#### **Renewals:**

(LIC) Appraisal of Residential Income and Properties – 60 Hours –  
**Approved**  
(Approved Instructor: David S. McFall)

(LIC) National USPAP Course – 15 Hours – **Approved**  
(Approved Instructor: David S. McFall)

All in favor, motion carried.

Mr. Bud Hunsucker with CompuTaught made a presentation regarding distance education for licensure credit.

6.2

The Board reviewed the following disciplinary reports, which were included in their books. **AB-00-10:** On October 6, 2002, a Trainee Real Property Appraiser, signed a Consent Settlement Order in connection with the appraisal of a tract of unimproved land in which he signed as the primary appraiser. Terms of the consent settlement order include a private reprimand, a \$400 administrative fine, and proof of successful completion of a 15-hour USPAP course with exam. The discrepancies identified in the appraisal report are detailed as follows: Licensee failed to identify and describe the scope of the appraisal. Licensee failed to identify the intended use of the appraisal report. Licensee failed to identify the intended users. Licensee failed to correctly employ those recognized methods and techniques that are necessary to produce a credible report by omitting detail necessary for the reader to understand the reasoning employed by the Licensee. The lack of explanations in an addendum rendered the report inadequate for the reader to understand the reasoning and the process that the Licensee employed to arrive at the estimate of value. Licensee failed to summarize the information analyzed, the appraisal procedures followed, and the reasoning that supports the analysis, opinions and conclusions. Licensee failed to provide adequate explanation of the comparable sales and their appropriateness for the subject property. The subject appraisal assignment was for use in litigation and lacked sufficient analysis for that use. The following **USPAP** Standards (1999 Ed.) were violated: 1-1(a), 1-2(a), 1-2(b), 1-2(f), 2-2(b)(i), 2-2(b)(ii), 2-2(b)(vii), 2-2(b)(ix).

**AB-00-99:** On October 9, 2002, a Letter of Warning was issued to a Certified Residential Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the supervising appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee used sales of condominium properties as comparables in appraising a townhome. Licensee provided no analysis of the impact, if any, on the market value of the subject property (a townhome) resulting from the differences in ownership of the undivided interest in the common elements of a condominium vs. fee simple townhome ownership, and of the differences in maintenance fees between the townhome and condominium. Licensee failed to accurately describe the subject neighborhood. A commercial building was located on the corner in full view of Unit #1. The subject's street was paved but very narrow. Several old houses in various stages of deterioration were located on the opposite side of the street from the

subject's complex. The follow USPAP Standards (2000 Ed.) were violated: 1-1(a) and 1-2(e)(i). Also violated was §34-27A-20(a)(6) and §34-27A-20(a)(8), Code of Alabama, 1975.

**AB-01-93:** On October 28, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to exercise reasonable diligence in developing, preparing, and communicating the appraisal report. Licensee failed to include the required Alabama Board certification statement in the appraisal report. Licensee failed to include a signed Appraiser's Certification. Licensee failed to disclose the client or other intended users. The following **USPAP** Standards (2001 Ed.) were violated: 1-2(a), and 2-3. Also violated was §34-27A-3(b)(2) and §34-27A-20(a)(7), Code of Alabama, 1975.

**AB-01-96:** On October 28, 2002, a Letter of Warning was issued to a Certified Residential Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the supervisory appraiser. This disciplinary action will be considered in any future discipline proceedings. The USPAP violations identified in the appraisal report are detailed as follows: Licensee failed to adequately describe the subject property. Licensee did not name the county in which the subject is located, did not identify the neighborhood in which the subject is located, did not check the percentage "built up" in the subject's neighborhood, did not state the correct zoning. Licensee incorrectly stated the date of the appraisal. Licensee stated the report was as of November 12, 1901. Licensee reported an effective age (actual 47/effective 20) inconsistent with the condition of the property described in the Sales Comparison Analysis grid as "inferior". The Licensee also reported deferred maintenance in a narrative statement in the Addendum page of the appraisal report, and additionally in the response letter submitted to the Board in answer to the Complaint. In the report the Licensee reports, "There is some damage fascia and soffit on the rear of the subject". "A small amount of water damage on the ceiling" was observed in the den. In the response letter the Licensee states "there was a small amount of damaged or rotted wood around the side door off the deck and around one of the front windows". The following USPAP Standards (2001 Ed.) were violated: 1-1(c), 1-2(e)(i), 2-2(b)(iii), and 2-2(b)(ix).

**AB-01-97:** On October 28, 2002, a Letter of Warning was issued to a Trainee Real Property Appraiser in connection with the appraisal of a single-family residence in which he signed as the primary appraiser. This disciplinary action will be considered in any future discipline proceedings.



The USPAP violations identified in the appraisal report are detailed as follows: Licensee did not name the county in which the subject is located, did not identify the neighborhood in which the subject is located, did not check the percentage “built up” in the subject’s neighborhood, did not state the correct zoning. Licensee incorrectly stated the date of the appraisal. Licensee stated the report was as of November 12, 1901. Licensee reported an effective age (actual 47/effective 20) inconsistent with the condition of the property described in the Sales Comparison Analysis grid as “Inferior”. The Licensee also reported deferred maintenance in a narrative statement in the Addendum page of the appraisal report, and additionally in the response letter submitted to the Board in answer to the Complaint. In the report the Licensee reports, “There is some damaged fascia and soffit on the rear of the subject”. A small amount of water damage on the ceiling” was observed in the den. In the response letter the Licensee states “there was a small amount of damaged or rotted wood around the side door off the deck and around one of the front windows”. The following **USPAP** Standards (2001 Ed.) were violated: 1-1(c), 1-2(e)(i), 2-2(b)(iii), and 2-2(b)(ix).

Mr. Holland discussed with the Board the investigative status charts and noted there have been 58 new complaints in the last two months. He is still optimistic for going under 100 complaints on hand by the years end.

6.2.1 The Board reviewed Probable Cause Report AB-00-62 and AB-00-63 (Companion Case). On motion by Mr. Martin and second by Mr. Carter the Board voted that probable cause did not exist and to follow investigative staffs recommendation and dismiss. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-75. On motion by Mr. Martin and second by Mr. Mallory the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-76. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist and to follow investigators recommendation to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Reports AB-02-81. On motion by Mr. Mallory and second by Mrs. Mardis the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Reports AB-02-82 and AB-02-83 (Companion Case). On motion by Mr. Cheney and second by Mr. Martin

the Board voted that probable cause did exist and to follow the investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-87. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did not exist and to follow investigators recommendation and dismiss. All in favor, motion carried.

The Board reviewed Probable Cause Summary and Complaint Disposition AB-02-105, AB-02-106 and AB-02-107. On motion by Mrs. Mardis and second by Mr. Cheney the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mrs. Mardis and second by Mr. Martin the Board voted to follow investigators recommendation and issue a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-108. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried.

The Board reviewed Probable Cause Report and Recommended Disposition AB-02-109 and AB-02-111. On motion by Mr. Cheney and second by Mr. Martin the Board voted that probable cause did exist. All in favor, motion carried. On motion by Mr. Cheney and second by Mrs. Mardis the Board voted to follow investigators recommendation and issue a Letter of Warning. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-110. On motion by Mr. Cheney and second by Mr. Martin the Board voted that probable cause did exist and to follow investigators recommendations to proceed with formal investigation. All in favor, motion carried. On motion by Mr. Parker and second by Mrs. Mardis the Board voted that the allegations in this report be reported to the proper agency. All in favor, motion carried.

The Board reviewed Probable Cause Report AB-02-112, AB-02-116 and AB-02-117. On motion by Mr. Martin and second by Mr. Cheney the Board voted that probable cause did not exist and to follow investigators recommendation and dismiss. All in favor, motion carried.

6.2.2 No anonymous complaints to report at this time.

6.2.3 The Board reviewed Consent Settlement Order on AB-00-40. On motion by Mr. Martin and second by Mr. Cheney the Board voted to approve as stated. All in favor, motion carried. The Board reviewed Consent Settlement Orders on AB-02-49, AB-02-52. On motion by Mr. Cheney

and second by Mr. Carter the Board voted to approve as stated. All in favor, motion carried.

- 6.2 No reciprocal agreements to report since last meeting.
- 6.3 The following reciprocal licenses were issued since last Board meeting: James Cartwright (G)(GA), Petra Della Valle (G)(TX), Michael Rogers (L)(GA), Linda McArdle (R)(GA), Philip J. Mushinski (G)(TX), Luten Teate (G)(GA).
- 7.0 The temporary permit report was provided to the Board for their information.
- 8.0 Mr. Holland discussed with the Board the AARO Conference and the divided factions, which seem to have emerged in the organization.

Due to a lack of time the Board members will take the other Administrative Items home and review at their convenience and discuss if necessary at next meeting.

The next Board meeting will be December 12-13, 2002. The Board will continue to meet every third Friday of the month in the new year.

After much discussion regarding quorum issues on motion by Mr. Cheney and second by Mrs. Mardis the Board asked Mr. Holland to draft a strongly worded letter to all Board members urging them to attend more meetings and to let the staff know when they cannot attend. All in favor, motion carried.

- 9.0 Meeting adjourned at 3:00 p.m.

Sincerely,

Lisa Brooks  
Executive Secretary

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**APPROVED:** \_\_\_\_\_  
**Ronald Parker, Chairman**